

APPENDIX C
Post-Intermediate Period Allocation List

Name	Percentage	Amount
AT&T Communications	33.69552735%	\$11.96865132
MCI	17.02639727%	\$6.04777631
Sprint	11.11485111%	\$3.94799511
WorldCom	10.23852165%	\$3.63672289
Global Crossing Telecommunications	7.15106942%	\$2.54005986
Qwest	7.12891379%	\$2.53219018
WCOM	3.45572976%	\$1.22747521
ILEC 2.19%	2.19000000%	\$0.77788800
Cable & Wireless	0.87472581%	\$0.31070261
Global Crossing	0.73143840%	\$0.25980692
Frontier Communications Services	0.67982311%	\$0.24147317
Broadwing Communications Services Inc.	0.60573560%	\$0.21515729
Telco Communications Group dba Dial & Save	0.57331218%	\$0.20364049
Touch America, Inc.	0.52556846%	\$0.18668192
IDT Corp.	0.46487055%	\$0.16512202
Business Telecom, Inc. (BTI)	0.41529492%	\$0.14751276
LCI International	0.38508503%	\$0.13678220
WorldXChange	0.24004960%	\$0.08526562
PT-1 Communications	0.19235182%	\$0.06832337
McLeodUSA	0.18014775%	\$0.06398848
One Call Communications	0.16435648%	\$0.05837942
ATX Telecommunications Services	0.16231652%	\$0.05765483
Excel Telecommunications	0.11654172%	\$0.04139562
DeltaCom L D S	0.11205694%	\$0.03980263
Network Plus	0.09200160%	\$0.03267897
Long Distance of Michigan (LDMI)	0.09124466%	\$0.03241010
EconoPhone	0.08965730%	\$0.03184627
Switched Service Communications	0.08282780%	\$0.02942043
Intermedia Communications	0.08202164%	\$0.02913409
VERIZON (not Verizon IntraLATA - LEC)	0.07539638%	\$0.02678080
Total-Tel USA	0.06460627%	\$0.02294815
Tel America	0.05266606%	\$0.01870698
One Star Long Distance	0.05075153%	\$0.01802694
The CommuniGroup Of KC	0.04547681%	\$0.01615336
Tandem Access for Database Query	0.04360270%	\$0.01548768
American Long Lines	0.04159377%	\$0.01477411
Logix Communications	0.04139743%	\$0.01470437
Bell Atlantic Communications	0.04136967%	\$0.01469451
WesTel	0.03890862%	\$0.01382034
NETECH Comm. (US West)	0.03875592%	\$0.01376610
US WATS	0.02990079%	\$0.01062076
Cooperative Communications	0.02482544%	\$0.00881800
Pac-West Telecomm dba AmeriCall	0.02391389%	\$0.00849421
Global Crossing Telemanagement	0.02192701%	\$0.00778847
Capital Telecommunications	0.02078209%	\$0.00738180
Broadwing Telecommunications Inc.	0.01993413%	\$0.00708060
South Carolina Network	0.01829131%	\$0.00649707

ACC Long Distance Corp.	0 01741376%	\$0 00618537
Cincinnati Bell Long Distance	0 01660766%	\$0 00589904
Long Distance Savers	0 01650078%	\$0 00586108
First Communications	0 01497019%	\$0 00531741
TXU Communications	0 01421800%	\$0 00505023
Southwestern Bell Telephone	001407712%	\$000500019
TCAST Communications, Inc.	0.01311337%	\$0.00465787
Shared Communications Services	0.01300293%	\$0.00461864
ITC DeltaCom Communications	0.01299003%	\$0.00461406
Link Communications	0.01274703%	\$0 00452774
Birch Telecom	0 01229039%	\$0.00436555
Williams Communications	0 01 197243%	\$0 00425261
CTS Telcom of Florida	0 01189664%	\$0 00422569
WinStar	0 01 143703%	\$0 00406243
US Xchange	000998448%	\$000354649
SRC	0.00983683%	\$0.00349404
IDS Long Distance	0.00948736%	\$0 00336991
Long Distance Management	0.0086928%	\$0 00308770
Long Distance Telephone Savers	0 00839879	
Long Distance Discount	000775520%	\$0.00275465
Powercom Corp	0 00755607	
GST Telecom	0 00736841%	\$0 00261726
Westinghouse Electric Corp.	0.0072544%	\$0.00257676
EATELNET	0.00683467%	\$0.00242768
Norlight Telecommunications	0.0066762%	\$0.00237138
TeleBeam	0.0065230%	\$0.00231700
Frontier Communications Int'l, Inc	0.0063004%	\$0.00223790
Austin Bestline	0.00617985%	\$0.00219508
Electric Lightwave	0.0060137%	\$0.00213609
Eastern Telephone Systems	0 00567334%	\$0.00201517
XTEL	0 00563197%	\$0.00200047
US Link Long Distance	000526181%	\$0.00186900
Destia	0 00523810%	\$0.00186057
Williams Local Network	0 00495901%	\$0 00176144
Southwestern Bell Comms Svcs dba Pacific Bell		
-	0.00484096%	\$0.00171951
GCI Globalcom	000478277%	\$0.00169884
Atlantic Cell dba Long Distance by Cellular One	0 00452978%	\$0 00160898
XO Communications	0 00449589%	\$0.00159694
Arcada Communications	000423173%	\$0.00150311
C-COM	0 00392073%	\$0.00139264
RSL COM U S A.	0 00379352%	\$0.00134746
The CommuniGroup	0 00359706%	\$0.00127768
Chadwick Telephone	0.0035477%	\$0.00126017
General Communication	0.00352525%	\$0.00125217
CapRock Telemanagement	0.00350136%	\$0.00124368
Iowa Communications Network	0.00347936%	\$000123587
FOX COMMUNICATIONS CORP.	0.00305548%	\$000108531
Capsule Communications	0.00294991%	\$000104781
COMMUNICATIONS OPTIONS	0.00294503%	\$000104608
Coast to Coast Telecommunications	000279191%	\$000099169

Cypress Telecommunications Corp (Cytel)	0 00252727%	\$0 00089769
GST ACTION TELECOM	000240553%	\$000085444
Americall Communications	0 00221222%	\$0 00078578
KTNT Communications	0 00194140%	\$0 00068959
VarTec Telecom	0 00192173%	\$0 00068260
Network One	0 00183167%	\$0 00065061
QCC, Inc	0 00173757%	\$0 00061719
Valuline Long Distance	000171546%	\$000060933
Concord Telephone Long Distance	0 00155247%	\$0 00055144
INFO-TEL COMMUNICATIONS	000142883%	\$000050752
ProCom, Inc	0 00139191%	\$0 00049441
ATBT EasyLink Services	0 00139090%	\$0 00049405
RCC Network	0.00136219%	\$0.00048385
Digital Telecommunications	0.00111140%	\$0.00039477
Midco Communications	0.00111122%	\$0.00039471
United Communications	0.00102200%	\$0.00036301
Off Campus Telecommunications	0.00096565%	\$0.00034300
WorldCom dba Touch One Long Distance	0.00094597%	\$0.00033601
BN1 Telecommunications	0.00092659%	\$0.00032913
Ionex Telecommunications	0 00085419%	\$0.00030341
TresCom U.S.A.	0.00079612%	\$0.00028278
American Telco	0.00079392%	\$0.00028200
Feist Long Distance	0.00076758%	\$0.00027265
Citizens Communications	0.00075159%	\$0.00026697
Atlantic Connections	0.00075011%	\$0.00026644
MichTel	0.00073091%	\$0.00025962
Sunshine Telephone Inc. dba SUNTEL	0.00068983%	\$0.00024503
PaeTec Communications	0.00062587%	\$0.00022231
Consolidated Comm. Public Services	0.00061838%	\$0.00021965
Voice Technology Corp	0.00055514%	\$0.00019718
OCI	0.00054735%	\$0.00019442
Ameritech	0.00054681%	\$0.00019423
Midcom of Arizona, Inc	0.00053647%	\$0.00019055
American Telesource International	0.00049450%	\$0.00017565
Telescan	0.00048125%	\$0.00017094
Long Distance/USA (Sprint)	0.00044856%	\$0.00015933
TCG	0.00039761%	\$0.00014123
Mon-Cre Long Distance	0.00037193%	\$0.00013211
Global Crossing Bandwidth	0.00033686%	\$0.00011965
Uni-Tel of Farmington	0.00030690%	\$0.00010901
EMI Communications Corp.	0.00030548%	\$0.00010851
Shoreham Telephone	0.00030209%	\$0.00010730
First Financial Management Corp.	0.00028842%	\$0.00010245
Access Point	0.00028663%	\$0.00010181
Questar InfoComm	0.00025715%	\$0.00009134
Switch 2000	0.00025204%	\$0.00008952
Union Telephone Co.	0.00023735%	\$0.00008431
Florida Digital Network	000022707%	\$000008066
Motorola Inc	000020817%	\$000007392
Baystar Satellite Paging	000019129%	\$000006795
NTS Communications/GMW Co	000018778%	\$000006670

VarTec Telecom dba Clear Choice Communications	0 00018481%	\$0 00006564
ATBT Global Network Services (AGNS)	0 00017773%	\$0 00006313
NTS Communications	000016888%	\$000005999
Time Warner	0 00016151%	\$0 00005737
NACT	0.00014742%	\$0.00005236
Full Service Network	0.00014670%	\$0.0000521
Primus (Primus Telecommunications)	0.00014445%	\$0.00005131
Ameritel	0.00014361%	\$0.00005101
ALLTEL Communications, Inc.	0.00014237%	\$0.00005057
ATBT Canada Long Distance Services Co.	0.00013880%	\$0.00004930
GTE Communications Corp.	0 00012691%	\$0
TELUS Communications (Edmonton)	0.00011496%	\$0.00004083
Telecom*USA (MCI)	0.00011449%	\$0.00004067
Axces	0.00011229%	\$0.00003988
NATIONAL Telecom of Florida	0 00010581%	\$0 00003758
POPP Telecom	0.00010373%	\$0.00003684
BC Tel	0.00009243%	\$0.00003283
U.S. Long Distance	0 00009231%	\$0.00003279
Tel Serve	0.00008649%	\$0.00003072
Oncor Communications	0.00007638%	\$0.00002713
CEO Telecommunications Star Telecommunica	0.00007145%	\$0.00002538
Tele-Sys., Inc	0.00006901%	\$0.00002451
IPS Telecom	0.00006509%	\$0.00002312
Teleport Communications Group	0.00006390%	\$0.00002270
American Express Travel Related Services	0.00005290%	\$0.00001879
POPP Telecom	0.00005076%	\$0.00001803
Coastal Long Distance Services	0.00004720%	\$0.00001676
Fibernet Telecommunications	0.00004702%	\$0.00001670
Yavapai Telephone Exchange	0.00004345%	\$0.00001543
Advanced Mkg. Svcs. dba Dial Anywhere	0.00004155%	\$0.00001476
American Telecommunications Enterprises	0.00004066%	\$0.00001444
Citizens	0 00004012%	\$0.00001425
Touch America Services	0 00003864%	\$0.00001372
Canby Telephone Association	000003787%	\$000001345
EASTERTEL	0.00003323%	\$0.00001180
STAR TELECOM/ALLSTAR	0.00003174%	\$0.00001127
Iowa Network Services	0.00003032%	\$0.00001077
Alliance Group Services	0 00002592%	\$0.00000921
SBC Long Distance	0 00002562%	\$0 00000910
Cleartel Communications	0 00002550%	\$0.00000906
Interloop, Inc.	0 00002503%	\$0.00000889
Incomnet Communications Corp.	0 00002342%	\$0.00000832
PSA, Inc	0 00002128%	\$0.00000756
United Telephone Co	0.00002045%	\$0.00000726
U S Net	0 00002003%	\$0 00000712
NetLinx Telecommunications Corp.	0 00001902%	\$0 00000676
Cherry Communications	0.00001807%	\$000000642
Systems 1000	000001551%	\$0.00000554
Sprint Canada Inc	0 00001504%	\$0.00000534
Valu-Line of Longview	000001391%	\$0.00000494
Baltimore-Washington Telephone	0 00001379%	\$0.00000490

Parkway Communications	0 00001183%	\$0 00000420
CellToll Corp	0 00001022%	\$0 00000363
MTS Communications	0 00000963%	\$0 00000342
Matrix Telecom	000000915%	\$000000325
Eastern Telecom dba InterQuest	0 00000898%	\$0 00000319
Century Telecommunications	0 00000886%	\$0 00000315
Star Tel, Inc.	0.00000862%	\$0.00000306
Trinet	0.00000814%	\$0.00000289
Deluxe Data Systems	0.00000761%	\$0.00000270
Light Link Inc dba Taylor Comm. Grp.	0.00000737%	\$0.00000262
West Coast Telecommunications	0.00000713%	\$0.00000253
Pacific Bell Communications	0.00000684%	\$0.00000243
Horry Telephone Long Distance	0.00000642%	\$0.00000228
Phoenix Network	0.00000642%	\$0.00000228
Westcom Long Distance	0.00000630%	\$0.00000224
Escondido Telephone Co.	0.00000618%	\$0.00000220
WorldCom Technologies	0.00000565%	\$0.00000201
Intl.800 Telecom dba Telecall Long Dist. (EGLOBE)	0.00000565%	\$0.00000201
NEXTLINK	0.00000499%	\$0.00000177
Nationwide Communications	0.00000493%	\$0.00000175
Coastal Telephone Co.	0.00000493%	\$0.00000175
Access Long Distance	0.00000470%	\$0.00000167
Tel-Share	0.00000464%	\$0.00000165
Genesis Communications Int'l	0.00000464%	\$0.00000165
Gulf Long Distance	0 00000440%	\$0.00000156
Hi-Plains NTS Communications	0.00000428%	\$0.00000152
ARRIVA Communications	0.00000422%	\$0.00000150
Network Operator Services	0.00000404%	\$0.00000144
American Network Exchange (AMNEX)	0.00000357%	\$0.00000127
Pilgrim Telephone	0.00000357%	\$0.00000127
Southern New England Telephone (SNET)	0.00000351%	\$0.00000125
Long Distance Wholesale Club (Excel)	0.00000345%	\$0.00000122
Low Country Carrier dba Hargray L.D. Co.	0.00000309%	\$0.00000110
People's Telephone	0.00000279%	\$0.00000099
NOS Communications	0.00000273%	\$0.00000097
North State Telephone Long Distance Co.	0.00000262%	\$0.00000093
Star Tel Transmission Co.	0.00000256%	\$0.00000091
Frontier Communications-North Central Region	0.00000250%	\$0.00000089
Call Savers	0 00000250%	\$0.00000089
Century Long Distance	0 00000250%	\$0.00000089
Souris River Telecommunications	0.00000250%	\$0 00000089
SouthWest United Communication	0.00000250%	\$0.00000089
Wholesale Telecom Corp.	0.00000250%	\$0.00000089
Uni Dial	0.00000232%	\$0.00000082
Texustel	0.00000226%	\$0.00000080
ITC Networks	0.00000220%	\$0.00000078
Eclipse Communications	0.00000208%	\$0.00000074
ConQuest	0.00000190%	\$0.00000068
EGLOBE INC dba INTL.800 TELECOM dba TELECAL	0.00000178%	\$0.00000063
Telergy	0.00000178%	\$0.00000063

Long Distance Network	0.00000172%	\$0.00000061
Dial Long Distance Billing Svcs.	0.00000166%	\$0.00000059
Phones West Digital Systems	0.00000166%	\$0.00000059
Home Long Distance	0.00000166%	\$0.00000059
Call America of Riverside	0.00000160%	\$0.00000057
Aliant Systems	0.00000160%	\$0.00000057
USN Communications	0.00000137%	\$0.00000049
HSS Vending Distributors	0.00000131%	\$0.00000046
Chautauqua & Erie Communications	0.00000131%	\$0.00000046
Star Tel Victoria	0.00000131%	\$0.00000046
MONOROLA	0.00000119%	\$0.00000042
The Phone Co	0.00000119%	\$0.00000042
REAMS COMMUNICATIONS dba VALULINE LONG D	0.00000113%	\$0.00000040
Apple Communications	0.00000113%	\$0.00000040
Convergent Communications	0.00000107%	\$0.00000038
EqualNet Corp.	0.00000107%	\$0.00000038
Central Telephone Co.	0.00000101%	\$0.00000036
KRB Telecom	0.00000095%	\$0.00000034
Ben Lomand Communications	0.00000083%	\$0.00000030
Valu-Line of Amarillo	0.00000077%	\$0.00000027
Econo. Call Long Distance Services	0.00000065%	\$0.00000023
Public Phone	0.00000065%	\$0.00000023
United States Cellular	0.00000065%	\$0.00000023
PBC Long Distance	0.00000065%	\$0.00000023
Alo-USA Corp	0.00000059%	\$0.00000021
USLink Long Distance	0.00000053%	\$0.00000019
Show-Me Long Distance	0.00000053%	\$0.00000019
Farmers Long Distance	0.00000053%	\$0.00000019
Interlink Telecommunications	0.00000048%	\$0.00000017
Fiberline Network Communications	0.00000048%	\$0.00000017
TelVue Corp	0.00000048%	\$0.00000017
Association Communications	0.00000048%	\$0.00000017
American Tel Enterprises	0.00000048%	\$0.00000017
Integrated Systems Corp.	0.00000042%	\$0.00000015
L.D. Services	0.00000042%	\$0.00000015
United Telephone Co. dba TELAMERICA L.D.	0.00000042%	\$0.00000015
Colorado River Communications	0.00000042%	\$0.00000015
Metro One Telecommunications	0.00000042%	\$0.00000015
Frontier Communications of the Great Lakes	0.00000036%	\$0.00000013
Working Assets	0.00000036%	\$0.00000013
Brooks Fiber Communications (WorldCom)	0.00000030%	\$0.00000011
WATS/800	0.00000030%	\$0.00000011
American Tel Group	0.00000030%	\$0.00000011
Call America	000000030%	\$000000011
Caribbean Telecommunications Consortium	000000030%	\$000000011
International Telephone Corp	000000030%	\$000000011
MCI/1-800-COLLECT	0.00000030%	\$0.00000011
Verizon Select Services	000000030%	\$000000011
BizTel Long Distance Telephone Co	000000030%	\$000000011
Cameron Long Distance	000000030%	\$000000011

STARTEC, Inc	0.00000030%	\$0.00000011
Athena International	0.00000024%	\$0.00000008
Telephone Assoc. Long Distance Svcs.	0.00000024%	\$0.00000008
Home Owners L.D. dba HOLD Billing Svcs.	0.00000024%	\$0.00000008
Extelcom dba Express Tel	0.00000024%	\$0.00000008
SBS/MCI	0.00000024%	\$0.00000008
Easton Telecom Services	0.00000024%	\$0.00000008
National Brands dba Sharenet Communications	0.00000024%	\$0.00000008
Heart of Iowa Communications	0.00000024%	\$0.00000008
Consolidated Network	0.00000018%	\$0.00000006
BMG/TELEMANAGEMENT SYSTEMS (BMG)	0.00000018%	\$0.00000006
Telecom Affiliates	0.00000018%	\$0.00000006
Vista Group International	0.00000018%	\$0.00000006
OCOM Long Distance	0.00000018%	\$0.00000006
Marietta Fibernet	0.00000018%	\$0.00000006
NYNEX Long Distance	0.00000018%	\$0.00000006
Intercontinental Communications Group (ICG)	0.00000012%	\$0.00000004
Americatel	0.00000012%	\$0.00000004
U. S. Link	0.00000012%	\$0.00000004
Tele Tech	0.00000012%	\$0.00000004
TCA Long Distance	0.00000012%	\$0.00000004
Intel Communications	0.00000012%	\$0.00000004
AUC Communications	0.00000012%	\$0.00000004
AmeriVision Communications	0.00000012%	\$0.00000004
OPTICOM ONE CALL	0.00000012%	\$0.00000004
ABCO Communications	0.00000012%	\$0.00000004
MID SEA dba MIDCOM COMMUNICATIONS	0.00000012%	\$0.00000004
PBT Communications	0.00000012%	\$0.00000004
USLINK	0.00000012%	\$0.00000004
Hotel America	0.00000012%	\$0.00000004
Lexington Telephone Long Distance	0.00000012%	\$0.00000004
Worldlink Long Distance	0.00000012%	\$0.00000004
CTS dba WorldXChange	0.00000012%	\$0.00000004
AirTouch Cellular	0.00000012%	\$0.00000004
VTI, Inc.	0.00000012%	\$0.00000004
US Long Distance	0.00000006%	\$0.00000002
GST Call America	0.00000006%	\$0.00000002
Valu-Line of Kansas	0.00000006%	\$0.00000002
Action Telcom Co.	0.00000006%	\$0.00000002
Amerinet Communications	0.00000006%	\$0.00000002
Connect Americom Corp.	0.00000006%	\$0.00000002
IntelCom Group	0.00000006%	\$0.00000002
DeltaCom Long Distance Services	0.00000006%	\$0.00000002
ComCentral dba Southnet Services	0.00000006%	\$0.00000002
Lucky Dog Phone Co.	0.00000006%	\$0.00000002
Manitoba Telephone System	0.00000006%	\$0.00000002
Telephone Communications Corp.	0.00000006%	\$0.00000002
Asia International Services Corp.	0.00000006%	\$0.00000002
Touch 1 Communications	0.00000006%	\$0.00000002
MetroLink	0.00000006%	\$0.00000002
LA CONEXION FAMILIAR, INC.	0.00000006%	\$0.00000002

TTE OF CHARLESTON	000000006%	\$000000002
Advanced Telecommunications Network	0 00000006%	\$0 00000002
American Discount Telecommunications	0 00000006%	\$0 00000002
METRONET Long Distance Communications	0 00000006%	\$0 00000002
Tel-Optic, Inc. dba Universal Network Services	0.00000006%	\$0.00000002
American Long Distance Corp.	0.00000006%	\$0.00000002
RCN Long Distance	0 00000006%	\$0.00000002
TMC Long Distance dba Cherry Communications	0.00000006%	\$0.00000002
KDD America, Inc.	0.00000006%	\$0.00000002
Startec Global Operating Co	0.00000006%	\$0.00000002
Westel Telecommunications, Ltd	0.00000006%	\$0.00000002
ITC Networks of Utah	0.00000006%	\$0.00000002
Nextel Communications	0 00000006%	\$0.00000002
Telelink	0.00000006%	\$0.00000002
Communication TeleSystems Intl	0 00000006%	\$0.00000002
TLD DE PUERTO RICO	0.00000006%	\$0.00000002
American Communications Technology	0 00000006%	\$0.00000002
Hawaiian Telephone Co. (GTE)	0.00000006%	\$0.00000002
TRT Telecommunications Corp	0.00000006%	\$0.00000002
Allcomm Long Distance	0.00000006%	\$0.00000002
Beauzile Devereux Communications	0.00000006%	\$0.00000002
CCT (California Catalog and Technology)	0.00000006%	\$0.00000002
H.G. Telecom	0.00000006%	\$0.00000002
Long Distance Direct	0.00000006%	\$0.00000002
O.L.C. Co.	0.00000006%	\$0.00000002
Plant Long Distance Co.	0.00000006%	\$0.00000002
Skycomm Technologies	0 00000006%	\$0.00000002
Tri-Rural Independent Operations	0 00000006%	\$0.00000002
Quest Telecommunications	0.00000006%	\$0.00000002
American Lightwave Communications	0 00000006%	\$0.00000002
Diversified Communications	0.00000006%	\$0.00000002
Metropolitan Telecommunications	0.00000006%	\$0.00000002
Monroe Telephone Co. dba Monroe Area Comm	0.00000006%	\$0.00000002
Plains Cooperative Telephone Association	0.00000006%	\$0.00000002
VISTA-UNITED TELECOMMUNICATIONS	0.00000006%	\$0.00000002
World Pass Communications Corp.	0.00000006%	\$0.00000002
Econ-o-Call, Inc.	0.00000006%	\$0.00000002
Fiberlink Communications Corp	0.00000006%	\$0.00000002
Wisconsin Communications Network	0.00000006%	\$0.00000002
JAS Networks	0.00000006%	\$0.00000002
LAKES STATES COMM	0.00000006%	\$0 00000002
NexBell	0.00000006%	\$0.00000002
Opticall Communications Services	0.00000006%	\$0.00000002
Bell Canada	0.00000006%	\$0.00000002
Enhanced Services Billing	0.00000006%	\$0.00000002
Innovative Communications	0.00000006%	\$0.00000002
Consolidated Communications Network	0.00000006%	\$0.00000002
Southwestern Bell Comms. Svcs. dba Ameritech	0.00000006%	\$0.00000002
Viatel, Inc	0.00000006%	\$0.00000002
Nexus Communications	0.00000006%	\$0.00000002
Net Communications Corp	0 00000006%	\$0.00000002

Federal Communications Commission**FCC 02-292**

Communication Services of Colorado	0 00000006%	\$0.00000002
Frontier Local Services	0.00000006%	\$0.00000002
Omni Communications	0.00000006%	\$0.00000002
Total Media Technologies, Inc.	0.00000006%	\$0.00000002
Centennial De Puerto Rico	0.00000006%	\$0.00000002
Massena Telephone Co.	0.00000006%	\$0.00000002
Paradise Communications	0.00000006%	\$0.00000002
LDC Telecommunications Co.	0.00000006%	\$0 00000002

APPENDIX D
Non-Carrier Recipients of Payphone Calls

AmVox
Arco Paypoint
Arthur Anderson & Co.
Buypass Corp.
California State Lottery
Cam-Net
Card Establishment
CompuServe
Contact America
Dean Witter
Department of Treasury (IRS)
Discover & Co.
EDS
Envoy Corporation
ETSC
First **USA**
Full Service Computing
Harmonic Systems
I-IUB Distributing
Idaho State Government
JC Penney Business Services
Landmark Communications
Legal Aid Society of Orange County
MAG Card
MasterCard International
MCSC Access in Canada
Merchant Link
Mobile Oil Credit Corp.
Mogan Stanley
National Data Corp.
Nexus Communications
Paradise Communications
PaymentTech
Professional Fusion Enterprises
PSA, Inc.
Public Service Company of New Mexico and Gas Company of New Mexico
Resource Technology
Southeast Switch
State of California
Stone & Co.
Telemoney Services
Transaction Network Services
United Refining
Vacation Villages of America
Visa USA
Vital Processing Services
VoiceCom Systems
VTA, Inc.
Weeks Communications

Appendix E
Petitions for Reconsideration and Clarification

1. The American Public Communications Council
2. ITC^DeltaCom Communications, Inc.
3. RBOC Payphone Coalition
4. Sprint Corporation
5. WorldCom, Inc.

Comments on Petitions for Reconsideration and Clarification

1. AT&T Corp.
2. Sprint Corporation
3. WorldCom, Inc.
4. National Payphone Clearinghouse
5. RBOC Payphone Coalition
6. Association of Communications Enterprises

Replies to Comments on Petitions for Reconsideration and Clarification

1. The American Public Communications Council
2. ITC^DeltaCom Communications, Inc.
3. RBOC Payphone Coalition
4. Sprint Corporation
5. WorldCom, Inc.
6. Association of Communications Enterprises

Appendix F

The Federal Communications Commission amends 47 C.F.R. Part 64 as follows:

I. The authority citation for Part 64 continues to read as follows:

AUTHORITY: 47 U.S.C. 154, 47 U.S.C. 225, 47 U.S.C. 251(e)(1), 47 U.S.C. 276, 151, 154, 201, 202, 205, 218-220, 254, 276, 302, 303, and 337 unless otherwise noted. Interpret or apply sections 201, 218, 225, 226, 227, 229, 332, 48 Stat. 1070, as amended. 47 U.S.C. 201-204, 208, 225, 226, 227, 229, 332, 501 and 503 unless otherwise noted.

2. Revise § 64.1301 to read as follows:

§ 64.1301 Per-payphone compensation

(a) Interim access code and subscriber 800 calls. In the absence of a negotiated agreement to pay a different amount, each entity listed in Appendix A of the *Fifth Order on Reconsideration and Order on Remand* in CC Docket No. 96-128, FCC 02-XX, must pay default compensation to payphone service providers for payphone access code calls and payphone subscriber 800 calls for the period beginning November 7, 1996 and ending October 6, 1997 in the amount listed in Appendix A per payphone per month.

(b) Interim payphone compensation for inmate calls. In the absence of a negotiated agreement to pay a different amount, if a payphone service provider providing inmate service was not compensated for calls originating at an inmate telephone during the period starting on November 7, 1996 and ending on October 6, 1997, an interexchange carrier to which the inmate telephone was presubscribed during this same time period must compensate the payphone service provider providing inmate service at the default rate of \$0.238 per inmate call originating during the same time period, except that a payphone service provider that is affiliated with a local exchange carrier is not eligible to receive payphone compensation prior to April 16, 1997 or, in the alternative, the first day following both the termination of subsidies and payphone reclassification and transfer, whichever date is latest.

(c) Interim compensation for 0+ payphone calls. In the absence of a negotiated agreement to pay a different amount, if a payphone service provider was not compensated for 0+ calls originating during the period starting on November 7, 1996 and ending on October 6, 1997, an interexchange carrier to which the payphone was presubscribed during this same time period must compensate the payphone service provider in the default amount of \$4.2747 per payphone per month during the same time period, except that a payphone service provider that is affiliated with a local exchange carrier is not eligible to receive payphone compensation prior to April 16, 1997 or, in the alternative, the first day following both the termination of subsidies and payphone reclassification and transfer, whichever date is latest.

(d) Intermediate access code and subscriber 800 calls. In the absence of a negotiated agreement to pay a different amount, each entity listed in Appendix B of the *Fifth Order on Reconsideration and Order on Remand* in CC Docket No. 96-128, FCC 02-XX, must pay default compensation to payphone service providers for access code calls and payphone subscriber 800 calls for the period beginning October 7, 1997 and ending April 20, 1999 in the amount listed in Appendix B for any payphone for any month during which per-call compensation for that payphone for that month was not paid by the listed entity.

(e) Post-intermediate access code and subscriber 800 calls. In the absence of a negotiated agreement to pay a different amount, each entity listed in Appendix C of the *Fifth Order on Reconsideration and Order on Remand* in CC Docket No. 96-128, FCC 02-XX, must pay default compensation to payphone service providers for access code calls and payphone subscriber 800 calls for the period beginning April 21, 1999

in the amount listed in Appendix C for any payphone for any month during which per-call compensation for that payphone for that month **was** or **is** not paid by the listed entity.

APPENDIX G

Supplemental Final Regulatory Flexibility Act Analysis

1. As required by the Regulatory Flexibility Act (RFA),¹ an Initial Regulatory Flexibility Analysis (IRFA) was provided in the *Payphone NPRM*.² The Commission sought written public comment on the proposals in the *Payphone NPRM*, including comment on the IRFA. A Final Regulatory Flexibility Analysis (FRFA) was provided in the *First Report and Order*,³ the *First Reconsideration Order*,⁴ the *Second Report and Order*,⁵ the *Third Report and Order*,⁶ and the *Fourth Order on Reconsideration*.⁷ This present FRFA conforms to the RFA, as amended.* To the extent that any statement in this FRFA is perceived as creating ambiguity with respect to our rules or statements made in the preceding sections of this order, the rules and statements set forth in those preceding sections are controlling.

Need for, and Objectives of, the Rules

2. In adopting Section 276 in 1996, Congress mandated *inter alia* that the Commission "establish a per-call compensation plan to ensure that all payphone service providers are fairly compensated for each and every completed intrastate and interstate call using their payphone . . ."⁸ In this order, the Commission redetermines certain aspects of the per-payphone compensation to be paid to payphone service providers (PSPs) by interexchange carriers (IXCs) and local exchange carriers (LECs) for the Interim period pursuant to the remand by the U.S. Court of Appeals for the District of Columbia Circuit in the *Illinois* decision.⁹ To implement the remand, the Commission has calculated a per-call allocation for each carrier and clarifies the manner in which the true up and offset procedures are to be applied to determine refunds and overpayments.

Summary of Significant Issues Raised by the Public Comments in Response to the IRFA

3. We received no comments in direct response to the FRFA in the *Fourth Order on Reconsideration*. We believe that our rules as adopted in this order minimize the burdens of the per payphone compensation procedure to the benefit of all parties, including small entities."

¹ See 5 U.S.C. § 603. The RFA, 5 U.S.C. § 601 *et seq.*, has been amended by the Contract with America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAA). Title II of the CWAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

² *Payphone NPRM*, 11 FCC Rcd at 6762-63.

³ *First Report and Order*, 11 FCC Rcd at 20691-20709.

⁴ *First Reconsideration Order*, 11 FCC Rcd at 21345-48.

⁵ *Second Report and Order*, 12 FCC Rcd at 1835-45.

⁶ *Third Report and Order*, 14 FCC Rcd at 2637-47.

⁷ *Implementation of the Pay Telephone and Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, *Fourth Order on Reconsideration and Order on Remand*, 17 FCC Rcd 2020 (2002) (*Fourth Reconsideration Order*).

⁸ See 5 U.S.C. § 604.

⁹ Pub. L. No. 104-104, 110 Stat. 56 (1996) (codified at 47 U.S.C. § 276).

¹⁰ *Illinois*, 117 F.3d. at 555.

¹¹ See "Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered." §§ 25-26 *infra*.

Description and Estimate of the Number of Small Entities to which Rules Will Apply

4. The RFA directs agencies to provide a description of, and an estimate of the number of small entities that may be affected by the rules adopted herein, where feasible." The RFA generally defines "small entity" as having the same meaning as the term "small business," "small organization," and "small governmental jurisdiction."¹³ In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act, unless the Commission has developed one or more definitions that are appropriate to its activities." Under the Small Business Act, a "small business concern" is one that: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the SBA.¹⁵

5. We have included small incumbent LECs in this RFA analysis. As noted above, a "small business" under the RFA is one that, *inter alia*, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation."¹⁶ The SBA's Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not "national" in scope." We have therefore included small incumbent LECs in this RFA analysis, although we emphasize that this RFA action has no effect on the Commission's analyses and determinations in other, non-RFA contexts.

6. *Incumbent Local Exchange Carriers.* Neither the Commission nor the SBA has developed a specific definition of small providers of incumbent local exchange services. The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.¹⁸ According to the most recent *Telephone Trends Report* data, 1,335 incumbent local exchange carriers reported that they were engaged in the provision of local exchange services.¹⁹ Of these 1,335 carriers, 1,037 reported that they have 1,500 or fewer employees and 298 reported that, alone or in combination with affiliates, they have more than 1,500 employees." We do not have data specifying the number of these carriers that are either dominant in their field of operations or are not independently owned and operated, and thus are unable at this time to estimate with greater precision the number of incumbent local exchange carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that 1,037 or fewer providers of local exchange service are small entities that may be affected by the rules and policies adopted herein.

¹² 5 U.S.C. § 604(a) (3).

¹³ 5 U.S.C. § 601(6)

¹⁴ 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in 5 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition in the Federal Register."

¹⁵ 5 U.S.C. § 632

¹⁶ 5 U.S.C. § 601(3)

¹⁷ See Letter from Jere W. Glover, Chief Counsel for Advocacy, SBA, to Chairman William E. Kennard, FCC (May 27, 1999). The Small Business Act contains a definition of "small business concern," which the RFA incorporates into its own definition of "small business." See 5 U.S.C. § 632(a) (Small Business Act); 5 U.S.C. 601(3) (RFA). SBA regulations interpret "small business concern" to include the concept of dominance on a national basis. 13 C.F.R. § 121.102(b).

¹⁸ 13 C.F.R. § 121.201, NAICS code 513310

¹⁹ *Telephone Trends Report*, Table 5.3

²⁰ *Id.*

7. **Competitive Local Exchange Carriers.** Neither the Commission nor the SBA has developed a specific definition for small providers of competitive local exchange services. The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.²¹ According to the Commission's *Telephone Trends Report* data, 349 companies reported that they were engaged in the provision of either Competitive access provider services or competitive local exchange carrier services.²² Of these 349 companies, 297 reported that they have 1,500 or fewer employees and 52 reported that, alone or in combination with affiliates, they have more than 1,500 employees.²³ The Commission does not have data specifying the number of these carriers that are either dominant in their field of operations or are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of competitive local exchange carriers that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that fewer than 297 providers of competitive local exchange service are small entities that may be affected by the rules.

8. **Competitive Access Providers.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to competitive access providers (CAPS). The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.²⁴ According to the Commission's most recent *Telephone Trends Report* data, 349 CAPs or competitive local exchange carriers and 60 other local exchange carriers reported that they were engaged in the provision of either competitive access provider services or competitive local exchange carrier services.²⁵ Of these 349 competitive access providers and competitive local exchange carriers, 297 reported that they have 1,500 or fewer employees and 52 reported that, alone or in combination with affiliates, they have more than 1,500 employees.²⁶ Of the 60 other local exchange carriers, 56 reported that they have 1,500 or fewer employees and 4 reported that, alone or in combination with affiliates, they have more than 1,500 employees.²⁷ The Commission does not have data specifying the number of these carriers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of CAPS or other local exchange carriers that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 297 or fewer small entity CAPS and 56 or fewer other local exchange carriers that may be affected by the rules.

9. **Local Resellers.** The SBA has developed a definition for small businesses within the category of Telecommunications Resellers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.²⁸ According to the Commission's most recent *Telephone Trends Report* data, 87 companies reported that they were engaged in the provision of local resale services.²⁹ Of these 87 companies, 86 reported that they have 1,500 or fewer employees and one reported that, alone or in combination with affiliates, it had more than 1,500 employees.³⁰ The Commission does not have data

²¹ 13 C.F.R. § 121.201, NAICS code 513310.

²² *Telephone Trends Report*, Table 5.3.

²³ *Id.*

²⁴ 13 C.F.R. § 121.201, NAICS code 513310.

²⁵ *Telephone Trends Report*, Table 5.3.

²⁶ *Id.*

²⁷ *Id.*

²⁸ 13 C.F.R. § 121.201, NAICS code 513330.

²⁹ *Telephone Trends Report*, Table 5.3.

³⁰ *Id.*

specifying the number of these local resellers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of local resellers that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 86 or fewer local resellers that may be affected by the rules.

10. **Toll Resellers.** The SBA has developed a definition for small businesses within the category of Telecommunications Resellers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees." According to the Commission's most recent *Telephone Trends Report* data, 454 companies reported that they were engaged in the provision of toll resale services." Of these 454 companies, 423 reported that they have 1,500 or fewer employees and 31 reported that, alone or in combination with affiliates, they have more than 1,500 employees." The Commission does not have data specifying the number of these toll resellers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of toll resellers that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 423 or fewer toll resellers that may be affected by the rules.

11. **Payphone Service Providers.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to payphone service providers (PSPs). The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees." According to the Commission's most recent *Trends in Telephone Service* data, 758 PSPs reported that they were engaged in the provision of payphone services." Of these 758 payphone service providers, 755 reported that they have 1,500 or fewer employees and 3 reported that, alone or in combination with affiliates, they have more than 1,500 employees." The Commission does not have data specifying the number of these payphone service providers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of PSPs that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 755 or fewer PSPs that may be affected by the rules.

12. **Interexchange Carriers.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of interexchange services. The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.³⁷ According to the most recent *Telephone Trends Report* data, 204 carriers reported that their primary telecommunications service activity was the provision of interexchange services." Of these 204 carriers, 163 reported that they have 1,500 or fewer employees and 41 reported that, alone or in combination with affiliates, they have more than 1,500 employees.³⁹ We do not have data specifying the number of these carriers that are not independently owned and operated, and thus are unable at this time to estimate with greater precision the number of IXC's that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are 163 or fewer small entity IXC's that may be affected by the rules.

³¹ 13 C.F.R. § 121.201, NAICS code 513330.

³² *Telephone Trends Report*, Table 5.3.

³³ *Id.*

³⁴ 13 C.F.R. § 121.201, NAICS code 513310.

³⁵ *Telephone Trends Report*, Table 5.3.

³⁶ *Id.*

³⁷ 13 C.F.R. § 121.201, NAICS code 513310.

³⁸ *Telephone Trends Report*, Table 5.3.

³⁹ *Id.*

13. *Operator Service Providers.* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to operator service providers. The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.⁴⁰ According to the Commission's most recent *Telephone Trends Report* data, 21 companies reported that they were engaged in the provision of operator services.⁴¹ Of these 21 companies, 20 reported that they have 1,500 or fewer employees and one reported that, alone or in combination with affiliates, it had more than 1,500 employees.⁴² The Commission does not have data specifying the number of these operator service providers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of operator service providers that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 20 or fewer local resellers that may be affected by the rules.

14. *Prepaid Calling Card Providers.* The SBA has developed a definition for small businesses within the category of Telecommunications Resellers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees." According to the Commission's most recent *Telephone Trends Report* data, 21 companies reported that they were engaged in the provision of prepaid calling cards.⁴⁴ Of these 21 companies, 20 reported that they have 1,500 or fewer employees and one reported that, alone or in combination with affiliates, it had more than 1,500 employees.⁴⁵ The Commission does not have data specifying the number of these local resellers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of prepaid calling card providers that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 20 or fewer local resellers that may be affected by the rules.

15. *Satellite Service Carriers.* The SBA has developed a definition for small businesses within the category of Satellite Telecommunications. Under that SBA definition, such a business is small if it has 1,500 or fewer employees." According to the Commission's most recent *Telephone Trends Report* data, 21 carriers reported that they were engaged in the provision of satellite services." Of these 21 carriers, 16 reported that they have 1,500 or fewer employees and five reported that, alone or in combination with affiliates, they have more than 1,500 employees.⁴⁸ The Commission does not have data specifying the number of these carriers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of satellite service carriers that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 21 or fewer satellite service carriers that may be affected by the rules.

16. *Other Toll Carriers.* Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to "Other Toll Carriers." This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card

⁴⁰ 13 C.F.R. § 121.201, NAICS code 513310.

⁴¹ *Telephone Trends Report*, Table 5.3

⁴² *Id.*

⁴³ 13 C.F.R. § 121.201, NAICS code 513330.

⁴⁴ *Telephone Trends Report*, Table 5.3.

⁴⁵ *Id.*

⁴⁶ 13 C.F.R. § 121.201, NAICS code 513340.

⁴⁷ *Telephone Trends Report*, Table 5.3.

⁴⁸ *Id.*

providers, satellite service carriers, or toll resellers. The closest applicable definition under the SBA rules is for Wired Telecommunications Carriers. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.⁴⁹ According to the Commission's most recent *Telephone Trends Report* data, 17 carriers reported that they were engaged in the provision of "Other Toll Services."⁵⁰ Of these 17 carriers, 15 reported that they have 1,500 or fewer employees and two reported that, alone or in combination with affiliates, they have more than 1,500 employees.⁵¹ The Commission does not have data specifying the number of these other toll carriers that are not independently owned and operated, and thus is unable at this time to estimate with greater precision the number of "Other Toll Carriers" that would qualify as small business concerns under the SBA's definition. Consequently, the Commission estimates that there are 15 or fewer Other Toll Carriers that may be affected by the rules.

17. *Wireless Service Providers.* The SBA has developed a definition for small businesses within the two separate categories of Cellular and Other Wireless Telecommunications or Paging. Under that SBA definition, such a business is small if it has 1,500 or fewer employees.⁵² According to the Commission's most recent *Telephone Trends Report* data, 1,495 companies reported that they were engaged in the provision of wireless service.⁵³ Of these 1,495 companies, 989 reported that they have 1,500 or fewer employees and 506 reported that, alone or in combination with affiliates, they have more than 1,500 employees. We do not have data specifying the number of these carriers that are not independently owned and operated, and thus are unable at this time to estimate with greater precision the number of wireless service providers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are 989 or fewer small wireless service providers that may be affected by the rules.

18. *Broadband Personal Communications Service.* The broadband personal communications service (PCS) spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has average gross revenues of less than \$40 million in the three previous calendar years.⁵⁴ For Block F, an additional classification for "very small business" was added and is defined as an entity that, together with their affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.⁵⁵ These regulations defining "small entity" in the context of broadband PCS auctions have been approved by the SBA.⁵⁶ No small businesses within the SBA-approved definition bid successfully for licenses in Blocks A and B. There were 90 winning bidders that qualified as small entities in the Block C auctions. A total of 93 small and very small business bidders won approximately 40 percent of the 1,479 licenses for Blocks D, E, and F.⁵⁷ Based on this information, we conclude that the

⁴⁹ 13 C.F.R. § 121.201, NAICS code 513310.

⁵⁰ *Telephone Trends Report*, Table 5.3

⁵¹ *Id.*

⁵² 13 C.F.R. § 121.201, NAICS code 513322.

⁵³ *Telephone Trends Report*, Table 5.3.

⁵⁴ See *Amendment of Parts 20 and 24 of the Commission's Rules - Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap*, WT Docket No. 96-59, *Report and Order*, 11 FCC Rcd 7824, ¶¶ 57-60 (1996). 61 Fed. Reg. 33859 (July 1, 1996); see also 47 C.F.R. § 24.720(b).

⁵⁵ See *Amendment of Parts 20 and 24 of the Commission's Rules - Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap*, WT Docket No. 96-59, *Report and Order*, 11 FCC Rcd 7824, ¶¶ 57-60 (1996), 61 Fed. Reg. 33859 (July 1, 1996).

⁵⁶ See, e.g., *Implementation of Section 309(j) of the Communications Act -- Competitive Bidding*, PP Docket No. 93-25, *Fifth Report and Order*, 9 FCC Rcd 5532, 5581-84, ¶¶ 115-17 (1994).

⁵⁷ FCC News, Broadband PCS, D, E and F Block Auction Closes, No. 71744 (rel. Jan. 14, 1997).

number of small broadband PCS licensees will include the 90 winning C Block bidders and the 93 qualifying bidders in the D, E, and F Block auctions, for a total of 183 small entity PCS providers as defined by the SBA and the Commission's auction rules.

19. *800 MHz and 900 MHz Specialized Mobile Radio Licensees.* The Commission awards bidding credits in auctions for geographic area 800 MHz and 900 MHz Specialized Mobile Radio (SMR) licenses to firms that had revenues of no more than \$15 million in each of the three previous calendar years.⁵⁸ In the context of both the 800 MHz and 900 MHz SMR, a definition of "small entity" has been approved by the SBA. These bidding credits apply to SMR providers in the 800 MHz and 900 MHz bands that either hold geographic area licenses or have obtained extended implementation authorizations. We do not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of no more than \$15 million.

20. *Rural Radiotelephone Service.* The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service.⁵⁹ A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).⁶⁰ We will use the SBA's definition applicable to wireless companies, *i.e.*, an entity employing no more than 1,500 persons.⁶¹ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA's definition.

21. *Fixed Microwave Services.* Microwave services include common carrier,⁶² private-operational fixed,⁶³ and broadcast auxiliary radio services.⁶⁴ At present, there are approximately 22,015 common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not defined a small business specifically with respect to microwave services. For purposes of this Supplemental FRFA, we utilize the SBA's definition applicable to wireless companies--*i.e.*, an entity with no more than 1,500 persons.⁶⁵ We do not have data specifying the number of these licensees that have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of fixed microwave service licensees that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are 22,015 or fewer small common carrier fixed microwave licensees and 61,670 or fewer small private operational-fixed microwave licensees and small broadcast auxiliary radio licensees in the

⁵⁸ 47 C.F.R. § 90.814(b)(1)

⁵⁹ The service is defined in § 22.99 of the Commission's Rules. 47 C.F.R. § 22.99

⁶⁰ BETRS is defined in §§ 22.757 and 22.759 of the Commission's Rules. 47 C.F.R. §§ 22.757, 22.759.

⁶¹ 13 C.F.R. § 121.201, NAICS codes 513321, 513322, and 51333

⁶² 47 C.F.R. §§ 101, *et seq.* (formerly Part 21 of the Commission's Rules).

⁶³ Persons eligible under Parts 80 and 90 of the Commission's rules can use Private Operational-Fixed Microwave services. *See* 47 C.F.R. Parts 80, 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

⁶⁴ Auxiliary Microwave Service is governed by Part 74 of the Commission's rules. *See* 47 C.F.R. Part 74. The Auxiliary Microwave Service is available to licensees of broadcast stations and to broadcast and cable network entities, broadcast auxiliary microwave stations and are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile TV pickups, which relay signals from a remote location back to the studio.

⁶⁵ 13 C.F.R. § 121.201, NAICS codes 513321, 513322, and 51333.

microwave services that may be affected by the rules. We note, however, that the common carrier microwave fixed licensee category includes some large entities.

22. *39 GHz Licensees.* The Commission defined "small entity" for 39 GHz licenses as an entity that has average gross revenues of less than \$40 million in the three previous calendar years.⁶⁶ An additional classification for "very small business" was added and is defined as an entity that, together with their affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.⁶⁷ The **SBA** approved these regulations defining "small entity" in the context of 39 GHz auctions.⁶⁸ The auction of the 2,173 39 GHz licenses began on April 12, 2000 and closed on May 8, 2000. The 18 bidders who claimed small business status won 849 licenses.

Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

23. As mandated by the court in the *Illinois* decision, we established a compensation procedure for resolving monthly payments and refunds between PSPs and carriers for the Interim Period, starting on November 7, 1996 through October 6, 1997, where payphone service providers (PSPs) and IXC's may have been overpaid or underpaid for services. In addition, we are applying our Interim Procedures to cover the subsequent Intermediate Period which commenced October 7, 1997 and ended April 20, 1999.

24. With this exception, this order imposes no new reponing, recordkeeping or other compliance requirements not previously adopted in this or related payphone proceedings.

Steps Taken To Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

25. Although we reject, because of the degree of regulatory intervention it would require, a proposal to establish a carrier-to-carrier payment mechanism for resolving payments and refunds, we specify instead carrier-specific per-call costs that can be used by carriers and PSPs to calculate total over or underpayments. The order also affirms the conclusions reached in the *Fourth Order on Reconsideration* that alternative payment arrangements can be made between or among carriers provided they are agreed to by affected PSPs. Adoption of this payment scheme will minimize the economic impact and administrative burden for both payors and recipients of payphone compensation, including small entities.

26. This Order also recognizes that small entities such as PSPs would be disadvantaged by the true up and offset mechanisms used in the per-call compensation process. The Order recognizes that such a process would allow carriers to use a self-help remedy of withholding future payments from PSPs, and that carriers would have no incentive to resolve such disputes in a timely manner. The Order, therefore, affirms the conclusion reached in the *Third Report and Order* that carriers may deduct the remaining overpayments from future payments to PSPs, but clarifies that it may only be done as follows: (1) carriers may only withhold *undisputed* amounts from future payments; (2) carriers may not withhold any amounts from future payments until PSPs and carriers have had an opportunity to apply the refund against Interim and Intermediate Period compensation claimed by the PSP; and (3) carriers must allow PSPs to make payments of refunds over multiple future payments subject to ongoing accrual interest, if reasonably requested by the PSP.

⁶⁶ See Amendment of the Commission's Rules Regarding the 37.0-38.6 GHz and 38.6-40.0 GHz Bands, ET Docket No. 95-183, *Report and Order*, 12 FCC Rcd 18600 (1997).

⁶⁷ *Id.*

⁶⁸ See Letter to Kathleen O'Brien Ham, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Feb. 4, 1998).

We are satisfied that these procedural safeguards will restore the necessary measures of fairness to the process for small entities.

Report to Congress

27. The Commission will send a copy of this Order, including this Supplemental **FRFA**, in a report to be sent to Congress pursuant to the Congressional Review Act.⁶⁹ In addition, the Commission will send a copy of this Order, including this Supplemental **FRFA**, to the Chief Counsel for **Advocacy** of the Small Business Administration. A copy of this Order and Supplemental FRFA (or summaries thereof) will also be published in the Federal Register."

⁶⁹ See 5 U.S.C. § 801(a) (1) (A).

⁷⁰ See 5 U.S.C. § 604(b).